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BY THE HOUSE OF DELEGATES,
February 10th, 1846.

Read and ordered to be printed.

REPORT

OF THE

JOINT COMMITTEE

OF THE TWO

HOUSES OF THE GENERAL ASSEMBLY,

APPOINTED AT DECEMBER SESSION, 1844,

In pursuance of the provisions of Resolution No. 8 of 1840.

To his Excellency Thomas G. Pratt, Governor of Maryland:

The undersigned, a joint committee of the two Houses of the General Assembly of Maryland, appointed under Resolution No. 60, passed at December session, one thousand eight hundred and forty-four, respectfully report:

That in compliance with the instructions set forth in general Resolution No. 8 of 1840, they visited the Treasury Office and examined the statement of the Treasurer of the State and burned the Currency bonds therein set forth as having been purchased by him for the augmentation of the Sinking Fund; from the 11th January 1844 to the 31st December 1844, and which amounted to fifty-eight thousand two hundred and ninety-two dollars and forty-eight cents, ($58,292 48.) They also examined his statement of the Sterling 5 per cent bonds purchased during the same period for the same fund, amounting to £6,000 or twenty-six thousand six hundred and sixty-six dollars and sixty-six cents, (26,666 66) which bonds having the coupons annexed, were necessarily left in the hands of the Treasurer for the receipt of the interest accruing thereon. The statements shewing the issues, numbers and amounts of said bonds are herewith annexed. Exhibit A.

The books and papers of the Loan Office in the city of Baltimore were examined by the committee, during several sittings which the tedious labor and lengthened and minute investigations imposed upon them. By the Transfer Book, they found that the change of stock during the year ending December 1st, 1844 had far exceeded that of any previous year; the amount being nine hundred and twenty-eight thousand three hundred and seventy-one dollars and twenty-eight cents; ($928,371 28) the number of

transfers being about one-fourth larger. The accompanying statement, B, exhibits this in detail. The certificates of stock submitted to us, and for which the several transfers had been made were duly compared with the books, and burnt.

The committee also compared and counted the coupons submitted for their inspection, examining with them the entries in the Cash Book and with the exception of some clerical errors, corrected during the examination, found the same to correspond with the Commissioner's report to the General Assembly. The amount of coupons burnt was one hundred and sixteen thousand nine hundred and fifty-two dollars and ninety-six cents (116,952 96) being nearly double the amount of the same item for the preceding year. The several sums of these coupons are exhibited in statement C.

The book from which certificates had been issued as well for interest as in exchange for surrendered coupons, offered to the committee a long and troublesome task, the issue having much increased over the former year from the more general use of these certificates by tax-payers throughout the State. These evidences of debt were singly and carefully examined as to number, amount and date, and then burnt. In the course of this part of their duty the committee discovered several errors, chiefly owing to the manner in which the issue of certificates is made. From what appears to be a necessity, such issue is not made immediately upon the deposit of the coupons or upon the interest as it becomes due, but in sums and at times to suit the convenience of the depositor or of the holder of the State's bonds. Hence errors were found to have occurred, the issue on several amounts deposited exceeding or falling short of that due. Omitting some smaller amounts the following errors fell under the notice of the committee:

James Lownds, deposit of	$9,377 50	on 1st Jan.	short issue of		$78 68
"	945 00	8th April	over issue of	50 00	
"	120 00	"	do.	80	
"	105 00	25th	do.	217 74	
"	3,173 20	7th May	do.	57	
"	1,890 00	18th June	do.	10 25	
"	980 00	10th Aug.	short issue of		10 42
					$89 10
"	2,190 00	"	over issue of	214 07	
"	1,754 50	10th Sep.	do.	6 41	
"	1,028 00	2nd July	do.	60	
				490 44	
	Off for short issue			89 10	
				$411 34	

On 4th January we find an issue of $100 to T. Scott for which no coupons appear to have been deposited. Mr. S. did not in fact receive these certificates, but the committee were satisfied that they should have been charged to J. Lownds.

The committee also discovered that the sum of $2,359 50 had been twice issued upon, once to Johnson & Lee and again to

James Lownds. The deposit in truth belonged to the first, and is so acknowledged by the latter gentleman. The account against Mr. L. for erroneous issues we found to be thus:—

For the several sums as above	$410	34
" certificates charged to T. Scott	100	00
" amount issued upon Johnson & Lee's deposit	2,359	50
	$2,870	84

The amount of deposits made by Mr. Lownds during the year was $85,946 and in regard to the above statement, the committee have to state, that coupons to the amount of the error were offered to be placed in our hands, but feeling only authorized by the terms of the Resolution under which we were appointed to receive and burn such bonds, certificates of loans, coupons and certificates of interest as were found to have been in the Loan office on the 31st December, 1844, we did not accept the same, but obtained the receipt accompanying this report (D) from the Commissioner of Loans, leaving them to be examined and burnt by any committee that may succeed us.

The committee also found the following errors:

January 1,	T. Scott	short issue of	$4 25		
"	Johnson & Lee	do.	7 50		
"	do	over issue		$2	00
March 2,	Harris & Son	do.			25
" 25,	Oliverson	short issue	1 00		
" 29,	Woodville	over issue			50
April 8,	Spiers,	short issue	30		
" 22,	Colt, Gibbs &c.,	do	21 12		
			$34 17		
May 25,	E. L. Harper,	over issue		10	00
June 22,	Patapsco Bank,	do.		3	00
July 1,	Woodville,	do.			50
Aug. 12,	Basden,	do.			40
Dec. 17,	Hutton,	do.			50
July 1,	Winchester,	do.		45	08
				$62	23

The Collectors returns of coupons and certificates were next examined. These in many cases were made extremely intricate from the loose manner in which they were rendered to the Commissioner. They were severally examined in detail, and as with the destruction of the certificate, no evidence remained with the State of its having been redeemed the committee deemed it advisable to note each with its number, date of issue, the time when due, and amount, which necessarily places in the archives of the General Assembly a copy of each Collector's return in detail. In

the course of this examination the committee discovered various errors, as follows:

Isaac R. Poole, collector 3rd district, Montgomery, allowed $379; it ought to have been $369.

T. Bayless, 2nd district, Harford county, allowed $509 57; it ought to have been $508 57.

J. B. Seidenstricker, Baltimore city, allowed $15,924 36 on the 22d April; it ought to have been $16,124 36.

H. C. Whiteford, 5th district, Harford county, allowed $436 59; it ought to have been $437 59.

J. B. Slemons, receiver, Somerset county, on the 9th October allowed $4,997 00; it ought to have been $4,977 00—and on the 14th December he made his return as for $13,547 63, when it ought to have been for $13,563 13.

Michael L. Ross, Washington county, on 30th December made a return as for $7,116 05; it ought to have been for 7,216 05.

J. B. Seidenstricker, Baltimore city, on the 22nd July made a return as for $12,668 51; it ought to have been for 12,660 26.

The committee also found in the entry upon the book of returns, as from Charles Bausman, 3rd district, Baltimore county, for $86, which ought to have been for $868 35.

Correcting these errors, together with a few others in amount under the dollar, which the committee did not deem it worth while to specify particularly, we found that there had been received for taxes in part for 1841, 1842, 1843 and 1844, the aggregate amount of $350,631 61 in coupons and certificates of interest. Exhibit E. is a statement of these returns. As the items were recorded by one of the committee, as they were examined with the certificate books of issue, nothing material was added to the time occupied in their labors by the committee, although the bulk of the document appears so great.

The committee also examined and burnt the following certificates of State stock:

24th Nov., 1834, favor of	J. B. Eschauzier for		$1,913 87
12th June, 1833, "	C. Willink	- -	1,913 87
" "	W. Willink	- -	1,913 88
24th March, 1829, "	Sophia Veazey	- -	2,158 38
18th Dec., 1843, "	Chesapeake Bank	-	3,000 00
			$10,900 00

These certificates formed part of an issue of $48,000 under act of 1826, chapter 252, the remainder of the stock was held by the Treasurer of the Western Shore as a part of the sinking fund. The whole issue is now withdrawn.

The committee also examined the cash book, comparing it with the dividend book, certificate books and vouchers of expenses of the office, a statement of the last of which is herewith annexed. Exhibit F.

Although adding to their labors, the committee found it necessa-

ry to pursue the examination of several deposites made in 1844 and entered in the cash book for that year, into the certificate book for 1845. These were chiefly large accounts, but their duty could not have been completed without such examination.

Among the coupons returned by B. Swingley, collector of Washington county, the committee found two for fifteen dollars each, for which no allowance was made in his return. These of course are the property of Mr. S., and are left with the Commissioner of Loans.

In the course of their examination of the certificate book, the committee found several certificates of small amount which appear to have been "marked off" by the committee of 1843. As that committee burnt all the certificates they examined, we received them upon the presumption that some error had occurred in the previous "marking off," and in this conclusion we were strengthened from the fact that the check numbers on the margin of the books were found to be extremely irregular, causing much trouble in the examination by the committee.

In the transfer certificates of stock, the committee deem it proper to state that they found several of these instruments without endorsement. In the cases noticed, the circumstances were such as to authorize us to burn them.

In closing this report the committee take the liberty to state, that after a close and thorough performance of thier duties, they have been forced to the conclusion, that some additional assistance should be given to the Commissioner of Loans. He has now but a single clerk, and he not paid by the State. Had the State been able to have met her responsibilities with punctuality, then the single clerk could have well performed the duties of the office. But with her unfortunate predicament, came increased labor upon the Commissioner of Loans. The doubts as to her securities threw her stock into market, and the same amount in a single week passing through several hands, divided and re-divided, threw additional labor upon the office in the way of transfers. This will be seen by comparing the amount of transfers as exhibited in this report with that of former years. It was her non-payment of the interest on her bonds and her honorable exertion to meet that indebtedness that led to the passage of the coupon law as a means to facilitate the collection of taxes, as well as more especially a relief to her creditors. But, this also increased the labor of the office—a labor which no man can have an accurate idea of, who has not familiarized himself with the same from personal observation. Another labor is involved from this law in the requirement made of the collectors to make their returns of coupons and certificates to the Commissioner of Loans. With all these labors added to those heretofore incident to the office when the State made cash payments on her bonds with punctuality, the committee could not hesitate in seizing so appropriate an occasion to state it as their opinion, that such errors as they have discovered and detailed, must occur so long as means for performing the duties of

the office in a proper manner are not afforded by the State. The evil necessarily produces others, such as too great an economy in the terms of the entries which ought to explain themselves, but which is not now the case, nor can it be so long as the duties involve so much of minute detail, and are of so varied a character, and all to be performed by one clerk, who however laborious and efficient he may be, must be even liable from the multiplicity of his duties to commit mistakes. In nothing that we have said do we intend to be understood as in the slightest degree to impute any neglect to the Commissioner of Loans, or to the gentleman who acts as his clerk, but rather the reverse. If we have found it our duty to note down the errors we have specified in this report, at the same time we feel it equally a duty to say that the commission of similar errors will be apt continually to occur unless means be applied in the way of additional clerical aid to prevent them. It would be bad economy in an individual—it is worse in the government of a State. While the citizens of Maryland are manfully endeavoring to extricate her from her critical position in regard to her finances, and while no man who respects his character dare now avow himself a repudiator of her pledged faith, it is due to her tax payers that ample protection be given to the means they cast into her treasury for the security of her honor, by such an organization of all her financial departments as shall leave no room for errors from a penurious employment of agents nor inadequate legislation to regulate their duties.

In finally bringing this report to its close, the committee cannot do so without expressing their hearty commendation to the Commissioner of Loans and his clerk, from whom in their long and arduous examination they have received the most polite attention and every facility requisite to the performance of their duties.

Respectfully submitted,

JOHN J. GRAVES,
JAMES RAYMOND,
On part of the House.
JOHN PALMER,
On part of the Senate.

Baltimore, December 6th, 1845.

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